

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 98-0224P**

**Use Tax**

**Calendar Years 1995, 1996, 1997**

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**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer, in a letter dated April 22, 1998 protested the penalty assessed and states it has been in business in Indiana since 1966.

Taxpayer is a Delaware corporation domiciled in Illinois with three manufacturing facilities in Indiana. At audit, the taxpayer was assessed use tax for fixed assets and expense items such as subscriptions, office supplies, catalogs, engineering software, laboratory supplies, and miscellaneous supplies.

I. **Tax Administration** – Penalty

**DISCUSSION**

At issue is whether the taxpayer was negligent in remitting trust tax due timely.

Taxpayer failed to remit use tax on clearly taxable items and remitted less than fifty percent (50%) in use tax during the audit period. Taxpayer was previously audited and was fully aware that use tax be self-assessed on all taxable purchases on which sales tax was not paid at point of purchase.

Taxpayer protests the penalty and states that during the years it has taken pride in being a good corporate citizen and that the assessment was due to an oversight and was not created due to a willful nor intentional act.

Department records indicate the taxpayer self-assessed less than fifty percent (50%) in clearly taxable purchases such as office supplies, subscriptions, lab supplies, research & development, and other miscellaneous items.

The department finds no reasonable cause exists, therefore, the request for penalty waiver is denied.

**FINDING**

Taxpayer's protest is denied.